
State Renewable Energy News

A Compilation of Renewable Electric Activities in the States

Prepared for the NARUC Renewable and Distributed Resources Subcommittee

Volume 11, No. 1

Winter 2002

State Activities

California

CPA Releases Energy Investment Plan

The California Power Authority (CPA) released a draft Energy Resources Investment Plan calling for a “clean-growth” strategy to meet the state’s near-term electricity needs. The plan targets several “gaps” in the state’s power situation, including the fact that Californians can no longer choose green energy to meet their electricity needs, that conservation efforts appear to be tapering off, and that there is a need to diversify the fuel mix with less emphasis on natural gas.

The CPA was created by the legislature in 2001 to assure that the state has a reliable, affordable, and stable power supply and to encourage energy efficiency and conservation as well as the use of renewable energy resources. The clean-growth strategy would provide essentially all of the needed growth in power supply through 2006 with efficiency, load management, distributed generation, and renewables.

CPA Contact:

Tara Dunn, (916) 651-9750

Maryland

DGS Inks Green Power Purchase

The Maryland Department of General Services (DGS) announced that it selected Pepco Energy Services (PES) to supply green electricity for 6% of its electricity needs. PES will supply a total of 1.6 billion kWh of

conventional and green electricity over the two-year contract period, which begins in July 2002. In March 2001, Governor Parris Glendening issued an executive order calling for at least 6% of the electricity consumed by state-owned facilities to be generated from green energy sources (**SREN**, Summer 2001).

The power deal covers more than 16 state agencies located in the Annapolis and Baltimore areas, including the Departments of Transportation, Corrections, and Health and Mental Hygiene, as well as Morgan State University, Towson State University, the Anne Arundel County Public School System’s nine largest facilities, and the Camden Yards Sports Complex.

DGS Contact:

Dave Humphrey, (410) 767-4652

Massachusetts

DOER Releases RPS Rules

The Massachusetts Division of Energy Resources (DOER) released final regulations for implementing the state’s renewable energy portfolio standard (RPS). As set forth in the state’s electricity restructuring law, all retail electricity customers will receive a minimum percentage of their electricity supply from renewable energy generation sources beginning in 2003. The percentage will increase from 1% in 2003 to 4% in 2009 (**SREN**, Winter 1998).

DOER Contact:

Robert Sydney, (617) 727-4732

Minnesota

PUC Staff Reviews Green Pricing Plans

PUC staff issued a report reviewing green pricing implementation plans submitted by five of the state's utilities. The plans were submitted pursuant to a 2001 state law requiring utilities to offer customers voluntary options to purchase power generated from renewable energy sources (*SREN*, Summer 2001).

Generally, staff found that the proposals meet the statutory requirements to file an implementation plan and that the proposed tariffs, which call for green energy premiums ranging from 1.28¢/kWh to 2.6¢/kWh, are just and reasonable.

PUC Staff Contact:

Susan Mackenzie, (651) 296-8994

Missouri

Task Force Recommends RE Policies

The Missouri Energy Policy Task Force made a number of policy recommendations that include measures to increase the contribution from renewable energy sources. Among the recommendations are that the state of Missouri should adopt a minimum renewable portfolio standard (RPS), that the General Assembly should consider enacting legislation to permit net metering, and that the state should consider financial incentives to promote energy efficiency and renewable energy.

In its report, the task force stated that "energy utilities and other suppliers must recognize that new ways of doing business are essential to meet public expectations and to adapt to economic, technological, and regulatory change," and that "governments must understand that safe and reliable energy at reasonable prices requires sensible regulation and the promotion of sustainable energy policies." It also noted that "consumers should be better protected and given appropriate opportunities to provide for their own energy needs."

The task force was created by Governor Bob Holden in February 2001 to examine the reasons behind rising consumer heating costs and to explore methods of increasing energy efficiency and production from in-state energy resources. The task force comprised business professionals, energy experts and citizen advocates

Task Force Contact:

Carol Gilstrap, (573) 751-3222

Nevada

PUC Adopts Disclosure Rule

The PUC issued an information disclosure order that requires electric utilities and alternative sellers to disclose to customers information on electricity product fuel mix and associated air and heavy metals emissions. A disclosure statement must be sent to customers as a bill insert on a semiannual basis and be posted on the company Web site. Legislation signed by Governor Kenny Guinn in June 2001 called for the PUC to adopt the disclosure regulations.

PUC to Revisit RPS Order

An interim legislative committee directed the PUC to reconsider implementation rules that the PUC adopted for the state's renewable energy portfolio standard (RPS). The key issue relates to the legislative intent in determining what are "just and reasonable terms and conditions" for the renewable energy contracts that a provider of electric service must enter into to comply with its portfolio standard (*SREN*, Fall 2001). The committee determined that the PUC's creation of a regulatory cap on prices to be paid for renewable resources was contrary to the legislative intent.

PUC Contact:

Richard Burdette, (775) 687-6052

New Jersey

BPU Approves Renewables Plan

The BPU approved a plan to provide \$38 million in incentives and credits over the next three years to "grid supply" renewable energy

projects located in New Jersey, “which currently may be unable to compete with traditional power generation on a cost basis.” The grid supply program will award the available funds each year to selected projects in the form of production credits and may also award limited grants for the design, permitting, or construction phases of selected projects. Eligible technologies include photovoltaics, wind energy, fuel cells, and landfill methane, as well as biomass facilities for which the resource supply is harvested in a sustainable manner.

BPU Contact:

Division of Energy, (973) 648-2160

New Mexico

PRC Adopts Electric Policy Principles

The PRC adopted a set of Electric Energy Policy Principles to frame the discussion of electric policy initiatives at the state and national levels. The PRC determined that the development and adoption of a state electric energy policy is within the purview of the commission and that it is in the public interest to define such a policy.

In total, 24 principles were adopted, including:

- New Mexico utilities should be required to support more diverse generation sources, including renewable energy, as a means to hedge against market and fuel-price spikes.
- Distributed generation should be promoted with appropriate interconnection rules and provisions for just compensation for excess electricity.
- Efforts to educate consumers about electric issues, including conservation, fuel source implications, and rate and service provisions are important and should be incorporated into the customer education programs of all utilities and commenced prior to deregulation.
- All load-serving entities should be required to provide information to their customers regarding their power portfolio, including the generation types and fuel resources and the

associated environmental impacts in order to allow customers to make informed decisions about their electric use.

- A thorough study of fuel-source subsidization and externalities should be conducted to firmly establish and even the playing field for electric generation alternatives.

PRC Contact:

John Curl, (505) 827-6960

New York

Green Options for NiMo Customers

The PSC approved the merger plan of Niagara Mohawk (NiMo) and National Grid USA. Under the terms of a negotiated settlement agreement, NiMo customers will be given access to green power products without having to switch to an alternative supplier. NiMo will allow independent green power marketers to sell renewable energy products directly to its customers using its billing system. The utility also agreed to build a power line to interconnect wind energy projects that have been proposed for the Tug Hill region of northern New York.

Contact:

David Wooley (518) 438-9907 x238

Ohio

OCC Reports on Market Competition

The Ohio Consumers' Counsel (OCC) released a “report card” on the first year of Ohio's competitive electricity market. The OCC found that the market experience “has been generally positive for the state's residential customers but that there is substantial room for improvement.”

The OCC noted that more than 600,000 residential customers (out of 4.1 million eligible) are saving money by switching to a new supplier, either through individual actions or as members of aggregation groups, and one new supplier is “bringing renewable energy sources to Ohio.” (a reference to Green Mountain Energy Company's supply deal with the Northeast Ohio Public Energy Council.)

However, because opportunities for customer switching and savings have not been uniform across the state, the OCC concluded that “certain state and federal actions are needed to promote meaningful competition and increase opportunities for savings in all areas of the state.”

OCC Contact:

Rob Tongren, (614) 466-9467

Oklahoma

State Establishes Renewables PTC

Governor Frank Keating signed into law a bill (SB 440) that establishes a production tax credit (PTC) for “zero-emission” renewable energy projects of 50 MW or larger in size, and also delays electricity restructuring in the state while a task force studies the issue.

The PTC may be claimed for a period of 10 years following the date that the facility is placed in operation. The amount of the credit is 0.75¢/kWh for electricity generated before 2004, 0.5¢/kWh for electricity generated from 2004 through 2006, and 0.25¢/kWh for electricity generated from 2007 through 2011. Eligible renewable resources include wind, hydropower, solar, and geothermal energy.

Oregon

Customers Receive New Green Options

Beginning March 1, 2002, the 1.2 million electricity customers served by Oregon’s investor-owned utilities (IOUs) will gain three new green power options. The state’s electricity restructuring law requires the IOUs to offer a portfolio of service options to residential and commercial customers (**SREN**, Summer 1999). Customers of Portland General Electric and Pacific Power will be able to purchase 100% new wind energy, a blend of wind and geothermal resources, or the renewable energy blend with support for salmon restoration projects.

PUC Contact:

Jack Breen, (503) 378-5942

Pennsylvania

State to Purchase Green Power

Governor Mark Schweiker announced that the commonwealth will purchase renewable energy to supply 5% of the state government’s power needs for two years

beginning in 2002. The power, amounting to 50 million kWh annually, will be supplied under contract with Community Energy, Inc., and will be a blend of wind power, landfill gas, hydroelectric, and solar energy. According to the Governor’s office, nearly 120,000 Pennsylvanians now use “cleaner and greener forms of power” through participation in the state’s Electric Choice program.

Governor’s Office Contact:

Jason Kirsch, (717) 783-1116

Other Activities

NREL Assesses Green Pricing Programs

A study by the U.S. Department of Energy’s National Renewable Energy Laboratory (NREL) identifies key factors for ensuring the success of “green pricing” and ranks utility programs nationwide for their relative effectiveness.

The study found that the design and marketing of the green power product is a critical element of success. Other key factors include whether or not the program creates “personal value” for customers and the extent to which a utility partners with the community and other groups to publicize the program.

NREL Contact:

Blair Swezey, (303) 384-7455

This newsletter is prepared for the Renewable and Distributed Resources Subcommittee of NARUC’s Energy Resources and the Environment (ERE) Committee to promote information sharing on state-level renewable electric activities. It is sponsored by the U.S. Department of Energy’s Office of Power Technologies.

Comments can be directed to Blair Swezey, National Renewable Energy Laboratory, at (303) 384-7455 or Blair_Swezey@nrel.gov. Past issues are available at: <http://www.nrel.gov/analysis/ema/projects/sren>

The ERE Committee Chair is the Honorable Bob Anderson, Commissioner, Montana Public Service Commission.

Internet Links:

California Power Authority Draft Energy Resource Investment Plan:

<http://www.capowerauthority.ca.gov/EnergyResourceInvestmentPlan/ERIP2-10-02draft.pdf>

Maryland Department of General Services Green Power Purchase Announcement:

<http://www.dgs.state.md.us/press/2002/012202.htm>

Massachusetts Renewable Energy Portfolio Standard Web Page:

<http://www.state.ma.us/doer/rps/index.htm>

Minnesota PUC Staff Briefing Paper on Utility Green Tariff Plans

http://www.puc.state.mn.us/docs/briefing_papers/b02-0016.pdf

Missouri Energy Task Force Web Page:

<http://www.gov.state.mo.us/energytaskforce1.html>

Nevada PUC Information Disclosure Docket:

<http://www.puc.state.nv.us/electric/01-7038.htm>

Nevada PUC Renewable Energy Portfolio Standard Docket:

<http://puc.state.nv.us/electric/01-7029.htm>

New Jersey BPU Division of Energy Page:

<http://www.bpu.state.nj.us/wwwroot/energy/energy.htm>

New Mexico PRC Electric Energy Policy Principles:

<http://www.nmprc.state.nm.us/3668summary.pdf>

Ohio Consumers' Counsel Releases First-Year Report Card on Electric Choice

<http://www.state.oh.us/cons/news/192002.asp>

Oklahoma Law SB440:

http://www2.lsb.state.ok.us/2001-02SB/sb440_enr.rtf

Pennsylvania Governor's New Release on Green Power Purchase:

<http://papress.state.pa.us/ctc/data/20011205.001.htm>

Pennsylvania Electric Choice Program Web Site:

<http://www.electrichoice.com/public/index.html>

NREL Report: *Utility Green Pricing Programs: What Defines Success?*

<http://www.eren.doe.gov/greenpower/29831.pdf>